

OFFICE OF THE SECRETARY  
DEPARTMENT OF THE NAVY  
Washington 25, D. C.

TRANSFER OF THE USF CONSTELLATION

- I. THIS CONTRACT, designated Contract NObs-3721, is entered into as of 22 July 1955 by and between the Navy Department of the UNITED STATES OF AMERICA and the STAR-SPANGLED BANNER FLAG HOUSE ASSOCIATION, INCORPORATED, whose address is Baltimore, Maryland, hereinafter called the Association.
- II. Whereas the Act of July 23, 1954 (Public Law 523, 83rd Congress) authorizes the Secretary of the Navy (a) to make minimum repairs to the USF CONSTELLATION so as to enable that vessel to be safely transported, by towing or otherwise, from its present berth at Boston, Massachusetts, to the Harbor of Baltimore, Maryland; (b) to transport, by towing or otherwise, the USF CONSTELLATION from its present berth to the Harbor of Baltimore, Maryland; and (c) to transfer, by gift, the USF CONSTELLATION to the State of Maryland, the City of Baltimore, or to a corporation or association located in Baltimore whose charter or articles of agreement denies it the right to operate for profit, for restoration as a public memorial at Baltimore, Maryland, and
- III. Whereas the Association (a corporation of the State of Maryland), through its auxiliary, the Constellation Commission of Maryland, has applied for donation of the USF CONSTELLATION and indicated its intention to restore the vessel as a public memorial at Baltimore, Maryland, as evidenced by the Association's letter of 22 April 1955 to Rear Admiral B. E. Manseau, USN, Acting Chief of the Bureau of Ships, and
- IV. Whereas it has been determined that the Association is a non-profit organization as evidenced by the attached copy of its charter or articles of agreement and, by the attached copy of the determination by the Bureau of Internal Revenue, that the Association is exempt from taxation under the Internal Revenue Code,
- V. Now, therefore, the Navy Department agrees to transfer the USF CONSTELLATION to the Association upon the terms and conditions hereinafter stated and the Association agrees to accept the USF CONSTELLATION upon these terms and conditions.
- VI. The Navy Department agrees, at Government expense,
  1. To make minimum repairs to the USF CONSTELLATION so as to enable the vessel to be safely transported, by towing or otherwise, from its present berth at Boston to the Harbor of Baltimore, Maryland.

2. To deliver the USF CONSTELLATION to the Association at dock or pier space specified by the Association, in or adjacent to Fort McHenry, in the port of Baltimore, Maryland.
3. To notify the Chairman of the Constellation Commission of the delivery date of the USF CONSTELLATION, at least fifteen days in advance of such delivery date.

VII. Title to the USF CONSTELLATION shall vest in the Association immediately upon delivery of the ship, as specified in 2 above.

VIII. The Navy Department further agrees that the Association may transfer or assign title of the USF CONSTELLATION to the Department of Interior on terms and conditions mutually agreeable to the Secretaries of the Navy and Interior or their designated representatives.

IX. The Association stipulates that the State of Maryland has made available the sum of \$50,000 as evidenced by the attached copy of a letter dated 13 May 1955 from J. O. McCusker to Neil H. Swanson and that the City of Baltimore has likewise made available the sum of \$50,000, as evidenced by the attached copy of a letter dated 5 January 1955 from Allen L. Dell to Neil H. Swanson, to be used for the berthing and repair of the USF CONSTELLATION. The Association agrees:

1. To accept the vessel upon delivery by the Navy and to expend not less than the \$100,000, hereinbefore referred to, for berthing and for repairs to make the ship safe and presentable for public inspection which repairs shall include, but shall not be limited to, the following:
  - a. The vessel shall be docked and all torn or punctured copper sheathing be repaired to make the hull as water-tight as possible. (The extent of the work to be done on the bottom will depend on the length of time that the recipient intends to keep the vessel afloat prior to placing it in its permanent sand or concrete berth.)
  - b. All spaces which are to be opened for public inspection shall be clean, painted and made safe for passage.
  - c. Temporary walk ways, ladders, etc., with the necessary hand rails and life lines shall be provided in those spaces to be visited.
  - d. Suitable lighting shall be provided in those spaces to be visited.

- e. A system of protection against fire hazards shall be installed, with the approval of the Chief of the Fire Department, City of Baltimore. This system shall include the continued operation of the presently installed sprinkler system.
  - f. Adequate security precautions against fire, vandalism, malicious mischief, unauthorized entry, and other similar hazards, shall be instituted immediately upon delivery of the USF CONSTELLATION by the Navy.
2. To prohibit members of the general public from visiting aboard the USF CONSTELLATION prior to accomplishment of work necessary to make the ship safe and presentable for public inspection, including the repairs listed under IX.(1) above.
  3. Within one year of the delivery of the USF CONSTELLATION to the Association to present to the Secretaries of the Navy and Interior for their approval a plan providing for the restoration of the vessel (exclusive of the repairs listed above).
  4. To maintain the USF CONSTELLATION in such a manner as will not cast discredit upon the Navy or upon the proud traditions of this historic ship; to use the ship only as a public memorial; and not to allow it to become a menace to navigation, public health or safety.
  5. To indemnify and hold harmless the U. S. Government, its agents or employees against all suits, actions, claims, costs, fees and demands (including without limitation, suits, actions, claims, costs, fees and demands for death, personal injury and property damage) to which the Government, its agencies or instrumentalities, its or their agents or employees may be subject or put by reason of damage or injury (including death) to the property or person of any one other than the Government, arising or resulting, or alleged to have arisen or resulted, from the fault, negligence, wrongful act or omission of the Government, its agencies or instrumentalities, its or their agents or employees in the berthing, repair, restoration or other use of the USF CONSTELLATION for causes originating subsequent to delivery of this ship to the Association and prior to any transfer of said ship to the Department of Interior.
  6. To procure and maintain, at the Association's expense, marine hull insurance while the CONSTELLATION is waterborne, and fire and extended coverage insurance thereafter, including risks of vandalism and malicious mischief, in the amount of

\$25,000 and third party liability insurance in the total amount of \$300,000 for all claims and \$100,000 for any one claim, said insurance to be maintained from and after the delivery of the CONSTELLATION as specified herein until title has been transferred to the Department of the Interior. Such insurance shall, as to form and the insurers, be subject to approval by the Insurance Branch, Office of Naval Material, Department of the Navy, Washington, D. C.

7. To assume the responsibility for making any repairs or replacements required by any damage to the vessel that may occur after the vessel has been delivered to the Association and prior to any subsequent authorized transfer of the vessel.
8. To pay the Navy Department, beginning seven days following arrival of the USF CONSTELLATION in the Port of Baltimore the sum of \$1100 per day for each day thereafter that the Navy is unable to deliver and transfer the USF CONSTELLATION to the Association because of a lack of docking or other berthing space, or because of any other failure for which the Association is responsible.
9. Not to transfer or otherwise dispose of this relic, or any interest therein, except to the Department of the Interior, without prior written consent of the Secretary of the Navy or his designated representative.
- X. Provided, however, in the event that the CONSTELLATION should be lost or destroyed, prior to the time of transfer, by fire, shipwreck, acts of Providence or of a foreign power or by any other means whatsoever, with or without negligence on the part of the Navy, this Agreement shall become void and of no effect.
- XI. Provided, further, that the Department of the Navy shall not be liable to the Association in any manner whatsoever for damages or otherwise on account of late delivery or non-delivery of the USF CONSTELLATION.
- XII. Provided, further, that in the event of any dispute concerning questions of fact arising under this Agreement, such disputes shall be decided by the Chief of the Navy's Bureau of Ships, whose decision shall be final and conclusive.
- XIII. In case the Association, or its assigns, shall fail to perform the obligations assumed under this Agreement, the Secretary of the Navy at his election may terminate this contract, provided that written notice to terminate, specifying the particulars wherein it is claimed that this Agreement has been violated, is transmitted, by registered

mail, to the Association. The Association shall have ninety (90) days from receipt of the above-mentioned written notice to cure the violations or deficiencies set forth in said notice. If, at the end of such time, it appears to the Secretary of the Navy that the causes for termination of this contract should be deemed complete, the Association shall forfeit either to the Navy or Interior Department any and all rights the Association may have in the USF CONSTELLATION, as the Secretaries of the Navy and Interior may jointly decide.

- XIV. Concurrently with transfer of title of the USF CONSTELLATION to the Department of the Interior, the Association shall be automatically released from responsibility under subparagraphs (5), (6), (7) and (8) of Paragraph IX, of this Contract, except with respect to causes originating while the Association held title.
- XV. At the time of execution of this Contract, the Association shall submit a copy of the provisions of its charter or by-laws, the resolutions of its Board of Directors, or other proceedings of its organization, evidencing the authority of the officer or officers signing the Contract to execute such Contract on behalf of the Association. The Secretary, the Assistant Secretary, or other authorized officer of the Association shall certify that such copy is a true and complete copy and that such provision, resolution or other proceeding of the Association is in full force and effect.

Wm. S. Spaulding  
FOR THE NAVY DEPARTMENT  
DATE July 22 1955

ACCEPTED BY THE STAR-SPANGLED BANNER  
FLAG HOUSE ASSOCIATION, INC., OF MARYLAND

BY Neil H. Swanson  
DATE July 22, 1955

ACCEPTED BY THE STAR BANGLED BANNER  
FLAG HOUSE ASSOCIATION, INC., OF MARYLAND

Donald H. Bartholomew

Emma Giles Parker (Mrs. Geo. G. Jr.)

S. J. Mumford *Ch.*

George E. Roodiffe

Enter Reddy George (Mr. Thomas S.)

Paul E. Wilson